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RUCNDT/USMISSION USUN NEW YORK 7958
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SUBJECT: BHARAT BALLOT 09: THE CONGRESS LOSES GROUND IN
HARYANA

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¶1. (SBU) SUMMARY: The Congress Party appears poised to win five to seven seats in Haryana parliamentary elections on May 17. Currently, they hold nine of Haryana's ten seats. Congress's strong development record and high economic growth rate -- together with the opposition Bharatiya Janata Party - Indian Lok Dal Party alliance's weak on-the-ground campaign coordination -- provide a boost for the party in upcoming polls. However, petty infighting and factionalism over Lok Sabha seat distribution continue to distract the Congress leadership and may negatively impact the party's campaign. Identity politics is also expected to play a prominent role in these elections, as parties vie to project appropriate candidates to gain the support of strategic ethnic/caste vote banks. END SUMMARY.

Congress Advantage

¶2. (U) Poloff and PolFSN traveled to Haryana mid-April to assess the political climate in the state ahead of the parliamentary election on May 7. They visited Rohtak, Hisar, Chandigarh, Ambala and Sonapat. Based on meetings with politicians, journalists, civic leaders and businessmen, the Congress Party will likely come out with a majority of Haryana's ten seats in May elections.

Haryana: Caste Tensions in One of India's Wealthiest States

¶3. (SBU) Haryana is one of the smallest states in India with a population of 21 million. It surrounds the state of Delhi on three sides and, consequently, a large area of Haryana is included in the National Capital Region (NCR). Haryana has the third highest per capita income in the country due in part to the cities of Gurgaon and Faridabad, both major hubs for the IT and auto industries. Owing to its proximity to Delhi, Haryana has been a major recipient of significant foreign investment.

¶4. (SBU) The state is currently governed by the Congress Party, led by Chief Minister Bhupinder Singh Hooda. In 2004, the Congress swept nine out of ten districts in the Lok Sabha

elections. The Congress's winning streak continued in 2005 state assembly elections, securing 67 out of 90 seats in the unicameral state legislature. The opposition Indian Lok Dal Party (INDP) has worked to rebuild its political standing ahead of May polls by entering into a coalition with the BJP.

INLD chief and former Haryana Chief Minister, Om Prakash Chautala, retains popular support among rural Haryavans and is expected to lend star power to the opposition INLD-BJP coalition. However, several contacts noted that weak INLD-BJP ground-level coordination has hampered the coalition's campaign. Many expect the INLD-BJP to pick up a maximum of two Lok Sabha seats in upcoming polls.

15. (SBU) The Haryana political landscape is split generally into Jat and non-Jat vote banks, putting added pressure on party leaders to formulate caste-identity combinations in line with the composition of the electorate. Jats are historically an agricultural caste that often went into military service and now dominate politics in Punjab and Haryana. The INLD, led by Jat leader Chautala, has traditionally held a comfortable majority of the Jat vote bank (social caste group that makes up one-fourth of the state population). In 2005 assembly elections, the Jat vote shifted to the Congress Party when it projected (Jat) Bhupinder Singh Hooda as the chief ministerial candidate. Hooda won, but according to political observers, non-Jat Congress leaders have felt side-lined in his administration. This, in part, explains why former Chief Minister and Congressman Bhajan Lal publicly broke with Congress and subsequently formed the Haryana Janhit Congress Party (HJC). Few believe the HJC will have a significant impact in upcoming elections, noting that the party lost two state assembly seats and one Lok Sabha seat in 2008 by-elections.

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Contacts also expect Mayawati's BSP to attract a portion of the non-Jat vote bank, particularly in cities with sizable other backward caste (OBC) and scheduled tribe (ST) constituencies such as Ambala and Gurgaon.

Mewat: Uneven Development in Booming Haryana

16. (SBU) If Gurgaon conjures up images of glass-front high rise headquarters of Oracle and Motorola, and air-conditioned malls, the neighboring Mewat district brings home the disparity of economic development in Haryana, one of India's wealthiest states. The only modern structure in this predominantly rural district - hardly 30 km from Gurgaon - is a three-story hospital. But the hospital is in total disrepair - trash and used medical supplies clutter the hallways; broken down ambulances clutter the unpaved parking lot; and stray dogs parade freely through the main corridor. According to locals, deteriorating public healthcare is just one aspect of widespread under development in the Mewat belt, where social indicators (literacy, gender ratio and public education investment) are on par with some of the most backward states in India. While Chief Minister Hooda revels in the state's successful industrialization and development record, a tour through the Mewat district reveals that economic growth occurring in much of the state has not yet seeped into some rural corners.

17. (SBU) With elections around the corner, the Congress-led state government has focused its campaign on development issues. Hooda and other state leaders have reminded audiences of Congress-led development schemes specifically targeting the rural poor, a group the Congress Party has called the "aam admi" or common man. Congress development works include: the allotment of 100-year tenancy plots of land to scheduled caste (SC), backward caste and below poverty line families; guaranteed water connection for SC families; and increased electricity gentrification for poor areas.

Congress Infighting Ensues, Opposition Fails to Capitalize

¶18. (SBU) According to political observers, petty infighting within the Congress Party over Lok Sabha ticket distribution has negatively affected the party's campaign. While the main opposition INLD-BJP coalition announced their candidate weeks before the April 11 nomination filing deadline, the Congress waited till the very last moment to announce candidates for five of ten seats. Contacts explained that party leaders were trying to avoid rebellion within the ranks, noting there were too many qualified contenders for the remaining seats. In their view, the Congress elections campaign has slowed significantly in the last two weeks as Hooda loyalists and new blood have replaced "old warhorse" party veterans and sitting MPs. While Congress may see its seat total decline, no one expects the INLD-BJP coalition to make significant electoral gains at the Congress's expense. Herkawaljit Singh, Editor of the Punjabi vernacular newspaper the Ajit, explained the INLD-BJP has failed to coordinate on the ground-level to take full advantage of Congress discord in these districts.

¶19. (SBU) From Sonapat, the Congress has fielded Hooda loyalist Jitender Malik despite the strong claim and popularity of senior Congress leader and State Minister of Finance, Birender Singh. Arvind Sharma, the sitting Congress MP from Karnal, was re-nominated for the seat after facing stiff competition from Hooda's close associate, Vinod Sharma. Similarly, Kumari Selja has been re-nominated from Ambala after a tough battle with another Hooda loyalist. Shruti Choudhry, grand-daughter of the late Bansilal and daughter of Haryana's Tourism Minister Kiran Choudhry, ousted party veteran Rao Inderjit Singh from the Bhiwani-Mahendergarh seat. Meanwhile, Indian Youth Congress President Ashok

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Tanwar, a close friend of Rahul Gandhi, has replaced sitting MP Atma Singh Gill in Sirsa district. Sirsa is considered an INLA stronghold and many expect a hotly contested race between the Congress newcomer and veteran INLD MLA, Sita Ram.

Caste Matters: Parties Work Hard for the Jat and Non-Jat Votes

¶10. (SBU) Haryana's highly caste-sensitive political landscape has shifted over the last four years. While the predominant Jat community will continue to support Congress in upcoming polls, non-Jats - including Brahmins, Buniyas, Gujjars, Dalits and Punjabis - have become increasingly disgruntled with the ruling government and may be looking for a party alternative. They project the Congress will face tough opposition in constituencies with sizable non-Jat populations such as Ambala, Sirsa and Gurgaon.

¶11. (SBU) Om Prakash Chautala (Jat), INLD Chief, had hoped to broaden his party's non-Jat appeal ahead of May elections by partnering with the BJP. However, Hindustan Times Chandigarh-based Resident Editor, Ramesh Vinayek, explained that bad blood remains from the parties' public falling out after the 2005 state elections defeat, which has hampered the coalition's campaign coordination efforts in recent months. Observers expect the INLD-BJP to pick up at most two seats in May polls, down from earlier predictions of five seats. Bhajan Lal's breakaway Haryana Janhit Congress Party (HJC) has not emerged as a credible force against the Congress due in part to factionalism and poor coordination on the elections trail. The party's only hope for a Lok Sabha victory is in the Hisar district, where seventy-eight-year old Bhajan Lal will challenge sitting Congress MP Jai Prakash.

Delimitation: An Opening for BSP

¶12. (SBU) The process of delimitation (re-districting) has put pressure on political parties to field candidates that

reflect the state's changing state demographics. After delimitation, Gurgaon has carved out its own parliamentary seat, in which Muslims account for one-fourth of the electorate. The Bahujan Samajwadi Party (BSP) has fielded Zakir Hussain, son of the late Muslim leader Tayyib Hussain, against Union Minister of State Rao Inderjit Singh and the BJP's S. Sudha Yadav. Many expect Zakir to carry the Muslim vote, which would usher in the BSP's first Lok Sabha win in Haryana. Former Home Minister and INLD party member Akram Khan also joined the BSP in 2008 and is expected to attract a large number of Muslim votes in Ambala.

¶13. (U) As a sign of the party's growing strength, BSP supremo Mayawati has headlined large elections rallies throughout the state. On April 4, more than 70,000 supporters greeted Mayawati in Jind, a region that is commonly referred as the "Jat heartland." She held smaller rallies late March in Gurgaon and the reserve constituencies of Ambala and Sirsa. With a view to lure the poor and economically weaker sections of upper castes, Mayawati criticized the Congress for neglecting the poor and hinted that she would extend "special reservation" status to targeted groups. Contacts told us the high turnout at BSP rallies has unnerved the Congress, which has been trying to woo backward castes through populist sops such as free land allotment and employment guarantee schemes.

Economy Keeps on Chugging Despite Global Downturn

¶14. (SBU) There was general agreement among our contacts that Haryana's economic standing has improved under Hooda's watch. The economy has witnessed more than nine percent growth in the last three years. At current prices, the Gross State Domestic Product has been estimated at USD 30.6 billion

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in 2007-08, which is a 17.7 percent increase from the previous year (USD 26 billion in 2006-07). According to the State Minister for Transport, Power and Public Works, Randeep Surjewal, Haryana's impressive economic growth has been driven by increases in the communications, construction, transport, real estate, manufacturing, electricity, and gas-water supply sectors. While agriculture continues to occupy a significant portion of the economy, its share of the economy is on the decline. In Surjewal's opinion, Haryana's gradual economic shift from agriculture to manufacturing/service sectors is a sign that the "economy is moving in the right direction." Hindustan Times' Ramesh Vinayek added that the state's commercial-industrial centers have kept pace despite the global economic slowdown. He explained that Haryana's "pro-business" reputation and tax-free concessions have helped to maintain domestic and foreign business investment.

¶15. (SBU) INLD-BJP opposition has argued that economic development has been limited to the eastern corridor of the state, north and south of Delhi, leaving the rest of Haryana behind. Many have pointed out that rural Haryavans have particularly suffered from the relative decline in the state's agricultural sector. (Note: Haryana is a major beneficiary of government procurement of wheat and rice, whose minimum support prices have risen 20-50% in the last two years. End Note.) Natural calamities and sporadic rainfall, they said, often cause substantial loss in crop production, which has contributed to stalled economic growth in rural areas. Ramesh Vinayek pointed out that development policy is a daunting task for any government. In his view, the Hooda government has done a "commendable" job in addressing socio-economic needs statewide and, as a result, there is a general sense of goodwill towards the Congress as elections near.

COMMENT: Congress Holds Ground

¶16. (SBU) COMMENT: Haryavanis are generally happy with the government, and many expect the Congress to win the majority of seats in May polls. The Congress Party argues that it has a strong record on economic development, but large sections of rural Haryana have been left behind in the last four years of growth. Chief Minister Hooda has done more than previous governments to lift up rural communities, but whether his government has done enough to win back "common man" support in forthcoming elections has yet to be determined. END
COMMENT.
BURLEIGH